TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Baylor Surgicare at Mansfield

Respondent Name
American Casualty Co of Reading PA

MFDR Tracking Number
M4-22-1167-01

Carrier's Austin Representative
Box Number 57

DWC Date Received
February 14, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 28, 2021	63685	$13386.29	$0.00
April 28, 2021	C1767	$22280.00	$0.00
	Total	$35666.32	$0.00

Requestor's Position

"At this time we are requesting that this claim paid in accordance with the 2021 Texas Workers Compensation Fee Schedule and Guidelines."

Amount in Dispute: $35,666.32

Respondent's Position

The Austin carrier representative for American Casualty Co of Reading PA is Continental Casualty Co. The representative was notified of this medical fee dispute on February 23, 2022.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We

will base this decision on the information available.

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.

2. 28 TAC 134.402 sets out the fee guidelines for ambulatory surgical centers.

Denial Reasons

Neither party submitted pages from an explanation of benefits that indicated reduction of payment to the amount paid of $22,617.72.

Issues

1. What rule applies for determining reimbursement for the disputed services?

2. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement for a surgical procedure and implants that were rendered in April 2021.

   DWC Rule 28 TAC §134.402 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service.

   The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.2 specifically Ambulatory Surgical Center Services on ASC list. Beginning with the implementation of the 2008 revised payment system, the labor related adjustments to the ASC payment rates are based on the Core-Based Statistical Area (CBSA) methodology. Payment rates for most services are geographically adjusted using the pre-reclassification wage index values that CMS uses to pay non-acute providers. The adjustment for geographic wage variation will be made based on a 50 percent labor related share.

   DWC Rule 28 TAC §134.402 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment

System reimbursement formula and factors as published annually in the Federal Register.

Reimbursement shall be based on the fully implemented payment amount published in the Federal Register.

The following formula was used to calculate the MAR:

Procedure Code 63685 has a payment indicator of J8. This is a device intensive procedure paid at an adjusted rate. The following formula was used to calculate the MAR:

Step 1 calculating the **device portion** of the procedure:

- The national reimbursement is found in the Addendum B for National Hospital Outpatient Prospective Payment System (OPPS) code 63685 for date of service April 2021 = $29,444.52
- The device dependent APC offset percentage for National Hospital OPPS found in Addendum P for code 63685 for CY 2021 is 82.22%
- Multiply these two = $29,444.52 x 82.22% = $24,209.28

Step 2 calculating the **service portion** of the procedure:

- Per Addendum AA, the Medicare ASC reimbursement rate for code 63685 for April 2021 is $23,894.02.
- This number is divided by 2 = $23,894.02 / 2 = $11,947.01.
- This number multiplied by the CBSA for Mansfield, Texas of 0.9744 = $11,947.01 x 0.9744 = $11,641.17.
- The sum of these two is the geographically adjusted Medicare ASC reimbursement = $11,947.01 + $11,641.17 = $23,588.18.
- The service portion is found by taking the geographically adjusted rate minus the device portion = $23,588.18 - $24,209.28 = (-621.10)
- Multiply the service portion by the DWC payment adjustment of 235% = (-621.10) x 235% = (-1,459.89).

The requestor sought separate reimbursement for the implantable billed with HCPCS codes C1767.

DWC Rule 28 TAC §134.402 (f)(2)(B)(i)(ii) states in pertinent part, if an ASC facility or surgical implant provider requests separate reimbursement for an implantable, reimbursement for the device intensive procedure shall be the sum of the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or $1,000 per billed item add-on, whichever is less, but not to exceed $2,000 in add-on's per admission and the Medicare ASC service portion multiplied by

235 percent.

Per the Operative Report the following implants were used in the procedure:

Implant Name	No of Units	Cost x 10%	MAR
Boston Scientific Precision IPG	1	$19,100.00 x 10% = $1,910	$21,010
TOTAL			$21,010

The DWC finds the MAR for CPT code 63685 is (service portion + implants) $-1.,459.89 + $21,010.00 = $19,550.11. The insurance carrier paid $22,617.22. No additional payment is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has not established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is not entitled to additional reimbursement for the disputed services.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	May 18, 2022 Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** with any other required information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electronico CompConnection@tdi.texas.gov.